



NATIONAL INSURANCE COMMISSION

2021

INSURANCE MARKET PERFORMANCE

Insurance Sector

The Insurance industry of Nigeria in 2021 recorded a substantial growth at the rate of 23 per cent to close at N631billion in gross premium income, obviously at a sharp progression compared to the 1.3 per cent growth recorded in the prior period of the COVID-19 ridden economy. The Non-life sector accounted for 57.9 per cent, growing by three points more in proportional relevance while the life Insurance business contributed 42.1 per cent of the gross premium income generated.

Similarly, the gross claims reported during the year, in tandem with the expansion in premium performance, grew at about 31 per cent from the less than ten per cent recorded previously. The Non-Life business pulled about 50.8 per cent representing N164billion while on the Life business a total of N159.3 billion was reported as claims, indicating a proportion of 49.2 per cent of all registered Claims during the period. This trend is also a reflection of the 2020 scenarios of COVID-19 and associated crisis, leading to a huge expansion in reported claims during the period while also, mirroring the growing policyholder confidence in Insurance as a fallback during crisis.

The insurance industry size as measured by the total Assets of the market also sustained a positive trajectory in 2021 recording about a seven per cent increase year on year, indicating about N2,194.2 billion. Remarkably, the total Assets of life segment for the first time, exceeds the total Assets of the non-life with a contribution of 51.5 per cent of all the industry Assets to close at about N1,130billion.

The apex regulatory agency responsible for the Insurance industry, in its focus on automation and digitization of the sector, has established the Business Process Management (BPM) Solution/Licensing Module in all its workflows thereby automating most of the technical processes while increasing the turn-around time and leading to improved audit trail and effectiveness. More so, the Insurance Industry Policy Module component of the NAICOM Portal was completed and went live in 2021. The digital platform generates a unique policy identification number for all policies, captures insurance policies issued by insurance companies and, serves also as a repository for statistical data including verification of insurance policies issued in Nigeria.

The Information Technology Standards for the Industry guidelines were also reviewed and approved, meant to enhance a seamless interface between the Commission and the Nigerian insurance industry while setting the minimum standard for the computerization of operations of Insurance companies. It is also designed to improve the quality of service delivery to the insuring public and establish a minimum baseline for insurance policy data management practices within the industry and communicate the responsibilities for the management, establish a secure environment for the processing of data. The Commission also continued in the pursuit for the Sector's recapitalization policy despite a series of constraints including some lawsuits instituted against the Commission at the Federal High Court in Lagos and Abuja.

In furtherance of the Commission's commitment towards the transition to Risk-Based Supervision (RBS), beyond the rudimentary observance of rules in the compliance-based supervision, a comprehensive Framework for risk-based supervision is approved for the regulation of the industry as well as the RBS Inspection Manual covering the pre and post inspection activities. In the same vein, several regulatory guidelines and circulars including the code of corporate governance were issued by the Commission to ensure strong and efficient governance, internal control and good market conduct practices in the sector.

Similarly, in conformity with the Commission's resolve to broaden and deepen the scope and quality of insurance supervision in Nigeria and the West African sub-region, an Academy is established, referred to as the NAICOM. The Commission also as part of efforts to increase insurance penetration, improve access to insurance, and sensitize the polity on the benefits of insurance and enforcement of compulsory insurance has implemented several initiatives during the year including Financial Inclusion Strategy and; Sensitization Workshops on insurance and its benefits.

MARKET PERFORMANCE

1.1 Gross Premium Income

The Insurance premium as a fundamental factor of the Insurance business model, is a most essential variable in the measurement of the Insurance market performance and sustainability. In 2021, a year predominantly characterised as a recovery session for most sectors of the economy from the pervasive crunch due to the COVID-19 pandemic, the industry grew at 22.7 per cent compared to the prior challenged year when the growth rate was recorded at 1.3 per cent. That was also the highest performance recorded in five years since 2017 as related in Table 1 of the gross premium generation over the period.

Table 1: Gross Premium Income: Non-Life & Life Businesses: 2017 - 2021

Currency: ₦-Million

Year	Fire	Gen. Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Life Business	Industry Total
2017	41,432.58	27,678.31	45,083.60	16,916.21	67,520.53	21,167.38	152,559.81	372,358.42
2018	45,036.60	28,782.71	40,149.33	26,472.04	82,236.87	22,733.62	180,799.76	426,210.93
2019	52,968.16	34,878.19	43,878.79	27,927.89	94,705.48	26,988.11	226,883.43	508,230.05
2020	47,888.27	36,587.63	47,515.23	33,107.78	91,877.70	25,735.09	231,876.15	514,587.85
2021	68,116.52	41,088.72	57,297.24	47,326.82	114,416.82	37,550.96	265,618.64	631,415.72

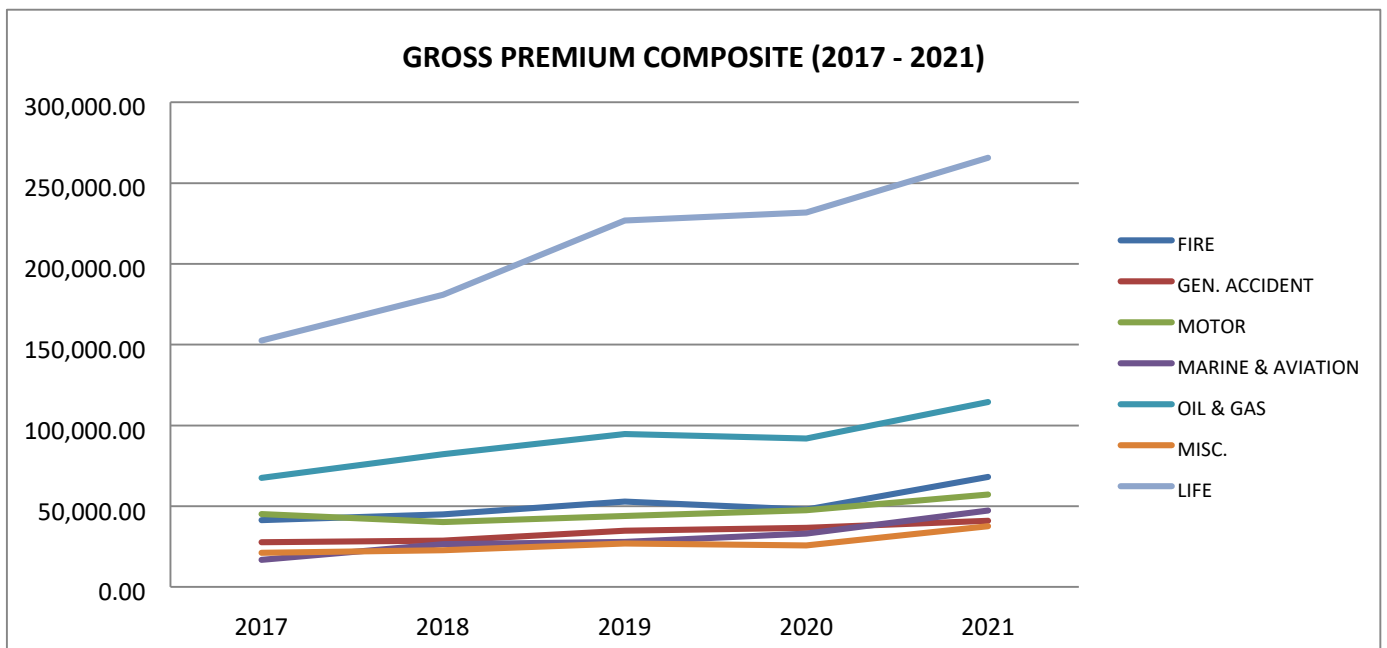
The relative rate of performance of the insurance market is also a translation of its uniqueness and potentiality in the Nigerian economy, which simply grew at about 3.6 per cent during the same period. It also signifies the industry's resilience and capacity for a v-shaped rebound in face of macroeconomic challenges.

Basically, in the preceding five-years, the insurance industry has sustained an entirely positive growth trajectory and of course in a double digit, except for in 2020 when it was recorded in a single figure. The gross premium income grew in the first two periods at about the rate of 14 per cent, it jumped to about 19 per cent in 2019, declined steeply in 2020 (1.3%) to close with a v-shaped recovery at about 23 per cent over the period of the five years.

It is noteworthy that at no time did the market record a negative growth in both Life and Non Life business, even during economic recession periods as depicted by table 1. While the insurance industry as a whole grew by 69.6 per cent from N372.4 billion in 2017 to N631.4billion in the current period, the Life section including Individual, Group and Annuity businesses grew at about 74.1 per cent and, the non-life business grew by 66.4 per cent over the same period.

Chart 1 shows the growth evolution of respective classes of Insurance business over the five years period.

Chart1: Gross Premium Income By Class - Non-Life & Life Business: 2017 - 2021



During the period, all classes recorded some significant increase in terms of premium generation with Life business maintaining an increasing relevance as against the Non-Life business. From

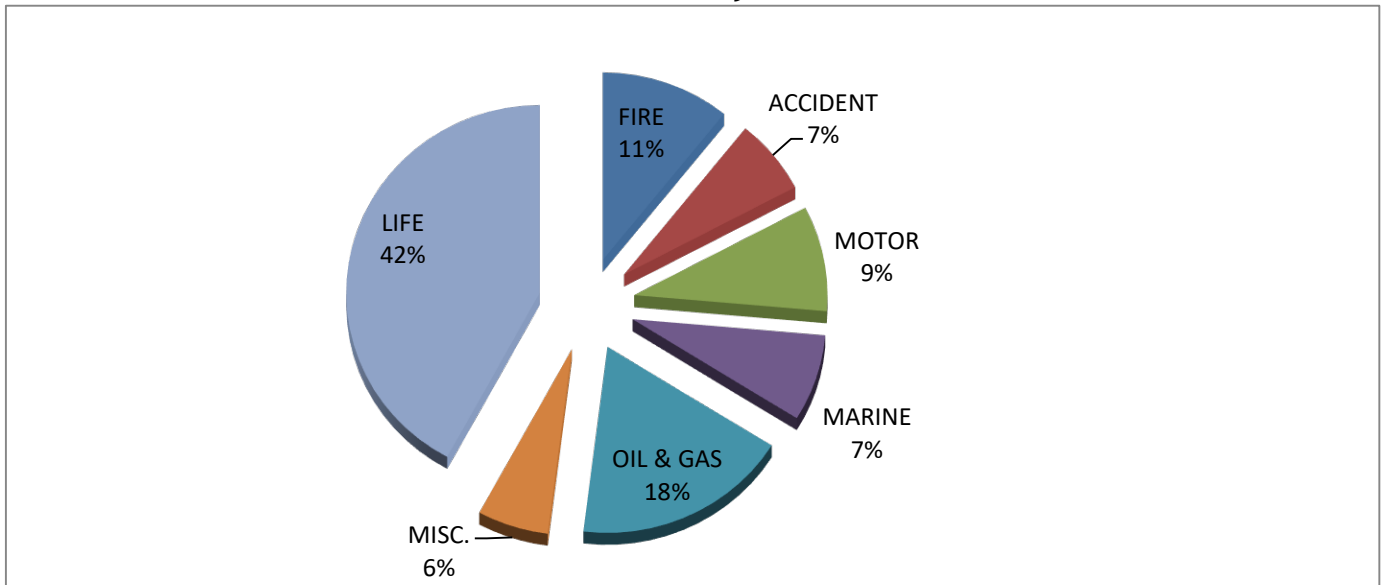
chart 1, the segment of Life business which consistently maintained a positive trend since 2017, recorded a rate of progression by 74.1 per cent over the period while growing at about 14.6 per cent in 2021, year on year. This is consistent with the market behaviour of Non-Life where all classes sustained a degree of increase during the same period with an average rate for all classes recorded at about 66.4 per cent over the five years and, by 29.4 per cent in the current period, year on year. Insights into the respective Non-Life classes revealed that Marine & Aviation Insurance led the segment to grow at 179.8 per cent over the same period. This is followed by Miscellaneous business (77.4%), Oil & Gas (69.5%) and Fire (64.4%) insurance business while Motor Insurance lagged at about 27.1 per cent over the five-year period.

Similarly, in 2021, the market sustained its positive rate of performance, year on year, recording a market average of 22.7 per cent. The market recovery was visible in the rate of rebound of all classes of Insurance as reflected in especially Marine & Aviation business which further, maintained its lead as in the prior period but at a higher rate of 43.0 per cent, more than two folds of the previous rate of increase when it stood at about 18.6 per cent. Fire portfolio grew at the rate of 42.2 per cent while Oil & Gas business recorded an increase by 24,5 per cent. On the other hand, other Motor (20.6%), General Accident (12.3%) and the Life business (14.6%) portfolios recorded some increases but at a rate below the market average of 2021. Compared to the rate of change in the prior year, the current period was a boom as shown by the data under consideration.

1.2 Distribution of Gross Premium Income

The percentage contributions of respective Insurance portfolios to the pool of gross premium income in 2021 is provided by the infographic of Chart 2.

Chart 2: Distribution of Gross Premium Income by Class of Business - 2021



The relative contribution of Non-life segment of the industry has improved during the period wherein it stood at 57.9 per cent, three points above its previous stand when it recorded a percentage contribution of 54.9 per cent. This is in contrast to the market behaviour in the immediate periods past of 2020 and beyond when Life was seen to be closing up the gap in terms of relative relevance in market share in terms of premium contribution. In 2019 the relative contribution of Non-Life recorded a two-point drop against life business and, in 2018 it was a one point less (57.6%). The Non-life business in Nigeria has remained dominant in the industry and indeed, the market development and deepening measures being carried out by NAICOM are expected to deepen it further as the majority of compulsory Insurances fall under the Non-Life business of the market.

Insights into the 2021 data of non-life business indicate a similar pattern recorded in the prior periods as Oil & Gas sustained its lead as largest contributor of premium income at 31.3 per cent. Its contribution was 32.5 per cent in the prior period and, 19 per cent in the in the period earlier. Fire insurance held a distant second (18.6%) while Motor (15.7%), Marine & Aviation (12.9%), General Accident (12.2%) and, Miscellaneous insurance (10.3%) followed in that order. In the preceding period the contributions stood at 16.9% for Fire Insurance and, Motor (16.8%), General Accident (12.9%), Marine & Aviation Insurance (11.7%) and Miscellaneous (9.1%) trailed correspondingly.

On the other hand, the Life Insurance business with about 42.1 per cent of all premiums generated in 2021, had Individual portfolio of the business leading by a share of 40.7 per cent while group life (33.0%) and Annuity (26.3%) Insurance business follow respectively. Nonetheless, irrespective of the relative significance of respective classes in terms of gross premium generation in 2021, it is obvious that both Life and Non-life businesses recorded some positive growth over the five-year period as illustrated by Chart 3

Chart 3: Gross Premium Income: Non-Life & Life Insurance Businesses: 2017 - 2021

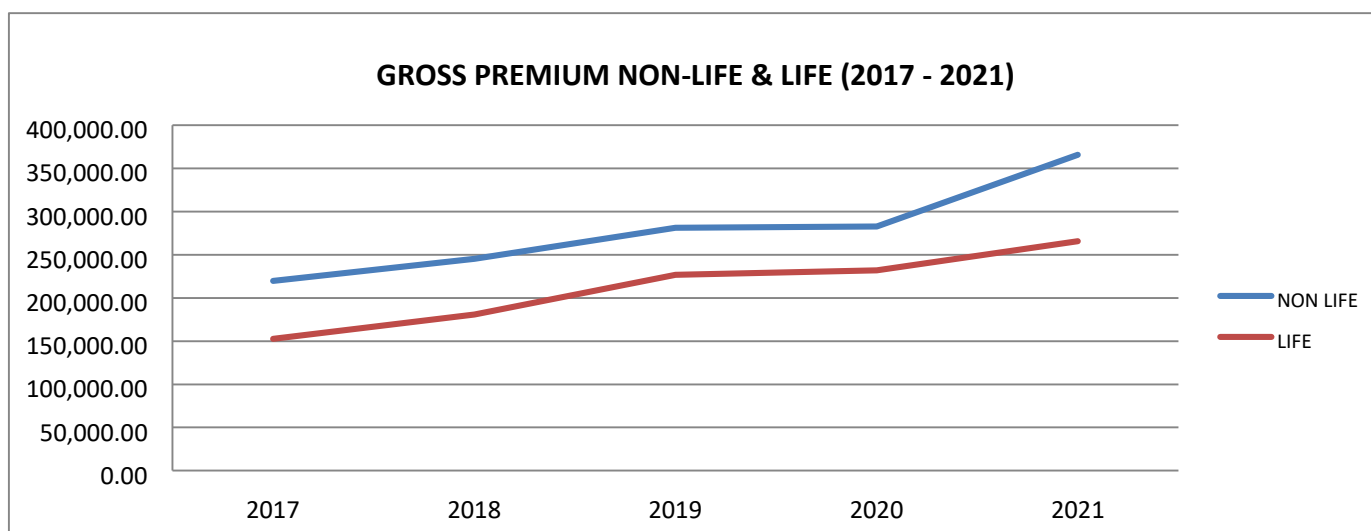


Chart 3 shows the evolution of the gross premium income over the period of five years. The Non Life segment recorded an apparently steady growth from N219.8 billion in 2017 to peak at N365.8 billion in 2021, representing an appreciative increase at 66.4 per cent wherein the Oil & Gas portfolio was a major driver of premium growth, contributing about thirty-two per cent of all non-life premium generated during the period. Similarly, the Life sector grew even at a higher pace of 74.1 per cent over the same period, from N152.6 billion to close at about N265.6 billion in 2021 indicating increasing confidence with regards to life insurance especially Annuity products and, cumulative awareness for Insurance as a safety net.

In a nutshell, the industry recorded a robust performance overall during the period under review for both non-life and life businesses, resulting in strong industry fundamentals and a prosperous outlook.

1.3 Retained Premium Income

The risk carriage capacity of Insurers which often determines their risk appetite, is usually a major indicator of the underwriters' financial strength, stability and soundness. Thus, the carriage capacity reflects the volume of risk retention by Insurers on various Insurance policies at any given period.

Table 2 reveals the performance of the industry with respect to the Net Premium Income (NPI) over the ten five-year period as it grew from N265.5billion in 2017 to N442.3billion in 2021, representing about 66.6 per cent increase.

Table 2: Sequence of Net Premium Income: Non-Life & Life Businesses 2017 - 2021

Currency: N-Million

Year	Fire	Gen. Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Life Business	Industry Total
2017	19,638.84	19,979.03	40,190.71	10,568.12	25,584.08	10,652.53	138,885.31	265,498.62
2018	23,233.37	19,498.10	36,875.09	14,740.78	40,200.31	14,421.85	166,526.37	315,495.87
2019	27,106.97	21,652.66	41,452.98	16,608.87	37,587.14	13,992.11	207,976.08	366,376.81
2020	21,411.99	24,992.04	45,069.04	16,028.05	32,637.94	15,986.03	212,436.19	368,561.28
2021	35,563.96	26,847.45	53,277.32	27,027.58	40,695.59	20,268.40	238,622.90	442,303.20

Table 3 provides the Annual growth rates of Net Insurance premium for the period of 2017 - 2021 in line with the respective classes of the business.

Table 3: Annual Growth Rates of Net Premium Income (%)

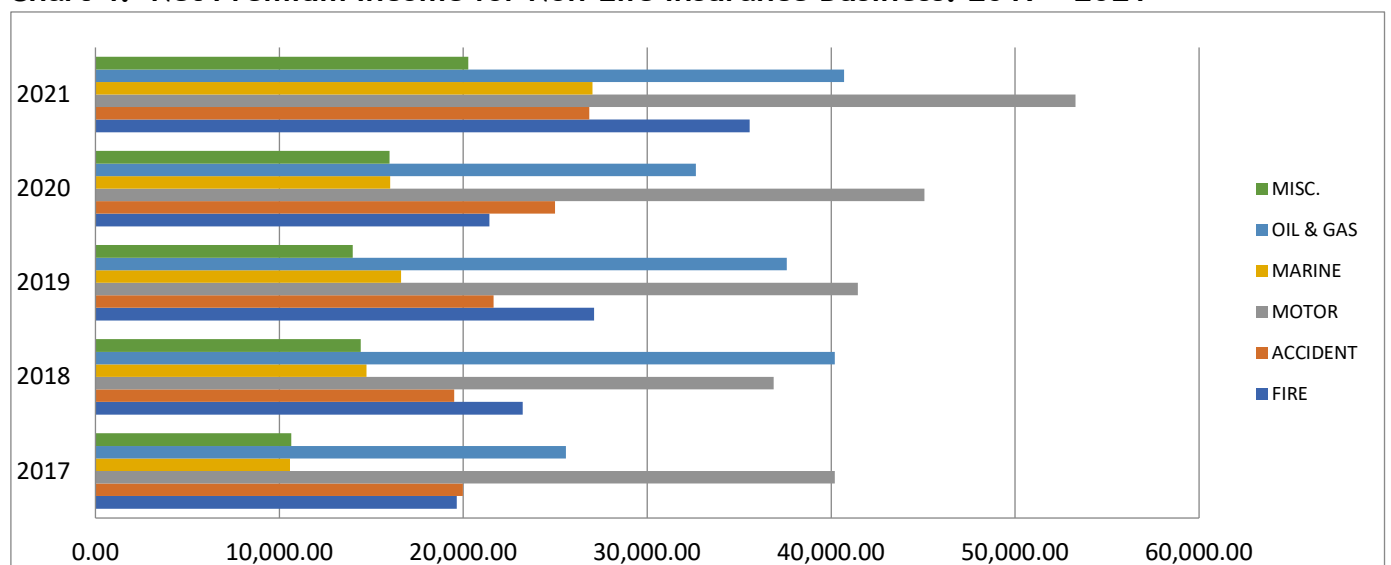
Year	Fire	Gen Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Life Business
2017	(3.7)	(7.1)	3.8	(2.6)	34.2	1.6	18.5
2018	18.3	(2.4)	(8.3)	39.5	57.1	35.4	19.9
2019	16.7	11.1	12.4	12.7	(6.5)	(2.9)	24.9
2020	(21.0)	15.4	8.7	(3.5)	(13.2)	14.3	2.2
2021	66.1	7.4	18.2	68.6	24.7	26.8	12.3

The Statistics in table 3 indicates a good stability standing of the industry wherein business retention was essentially on the rise year on year except on a few occasions as recorded by respective Insurance classes, especially for the catastrophic year of the COVID-19 pandemic of 2020. In the Life insurance portfolio, changes in growth remained positive throughout the five years, even in the pandemic era which recorded the least rate (2.2%) of growth in net premium income. However, growth remained positive despite some fluctuations noted in the non-life section across different classes over the years of economic uncertainties, recessions, operational challenges, and indeed global pandemic.

Nevertheless, in 2021, It was a remarkable rebound in tandem with the experience in the gross premium income recorded especially, for Marine & Aviation (68.6%) which was the highest, reflective of also a surge in business post-pandemic. Fire Insurance also grew at 66.1 per cent while Miscellaneous (26.8%), Oil & Gas (24.7%), Motor (18.2%) and General Accident Insurance (7.4%) follow in that order of appreciable levels of growth during the current period. The Life segment in particular sustained a positive growth rate of 12.3 per cent far ahead of the 2.2 % it reported in the prior period albeit, the second least rate in the five-year period. This industry retention behaviour is comforting as it is also a mirror of the Insurers’ business confidence during an era apparently challenged by domestic and global economic uncertainties.

Chart 4 provides the net premium income of various non-life insurance classes for the five year period.

Chart 4: Net Premium Income for Non-Life Insurance Business: 2017 - 2021



It is expressively evident that the pattern of net premium growth of respective classes of Insurance is in positive correlation with the growth profile of their corresponding gross premium accounts as illustrated in Chart 4.

The next segment of this report provides the details of the retained Insurance premium sequence for Life and Non-Life Insurance businesses.

1.4 Retention Ratios

Table 4 provides the percentage of retention scales in Insurance premium for the period of 2011 - 2020.

Table 4: Retention Ratios for Non-Life and Life Insurance Business; 2017 To 2021

Year	Non-Life Insurance (%)	Life Insurance (%)
2017	57.6	91.0
2018	60.7	92.1
2019	56.3	91.7
2020	55.2	91.6
2021	55.7	89.8

Industry retention ratios have revealed outstanding business confidence in both life and nonlife segments of the industry, posting fa above average all through the years as the least recorded average non-life retention stood at 55,2 per cent for 2020 while it was about 90 per cent in 2022 for the life business portfolios. This is not to say that the development in the non-life is poor relative to life but is reflective of the domestication policy in the life aspect of the business as well as the nature of special risks businesses associated with the non-life especially for Oil &

Gas, Aviation and Marine Insurances. During the current period nonetheless, while the non-life retention sustained stability relative to its previous position, the retention ratio recorded for life business listed a decline (89.9%) compared to the proportion recorded in the prior period when it was reported at about 91.6 per cent of all life insurance premiums generated during the period.

It is noteworthy from table 4 that both life and non-life businesses maintained far above the fifty per cent (50%) mark throughout the decade, especially for the life segment which was consistently at a near perfect position. This could be reflective of the growing underwriting efficiency, government policies in terms of life portfolio domestication, operator confidence and growing risk-bearing capacities in the industry.

1. 4.1 Retention (%) of Non-Life Insurance by Class of Business

Year	Fire	Gen Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous
2017	47.4	72.2	89.1	62.5	37.9	50.3
2018	51.6	67.7	91.8	55.7	48.9	63.4
2019	51.2	62.1	94.5	59.5	39.7	51.8
2020	45.1	68.3	94.9	48.4	35.5	62.1
2021	52.2	65.3	93.0	57.1	35.6	54.0

Retention ratios of the various Non-Life classes as provided for in Table 4.1 shows that the industry is well positioned in terms of premium retention, except in the case of Oil & Gas business where consistently for all periods under review, it remained below average. The matter of retention capacity and capital plight in special risks, especially Oil & Gas would require deliberate action in terms of capital adequacy and specific professionalism of which, the ongoing Insurers' recapitalisation drive comes handy. The Fire business similarly reported two periods of below average retention ratios in 2017 (47.4%) and, in 2020 (45.1%) as well as in the Marine &

Aviation (48.4%) business. Motor account sustained its lead in documented retention, sustaining its above ninety percentile position since 2018 while it stood above 89 per cent at the initial point and, at its peak (94.9%). This is reflective of the structure of Motor Insurance premiums in which most of this account are of third-party motor liability which is typically retained by Insurance Institutions. Other classes also recorded some level of growth in the current period compared to the previous year. Fire insurance account stood at 52.2% and Marine & Aviation 57.1% as against 45.1% and 48.4% respectively recorded in 2020 while a decline was noted for General Accident account (-4.4%) and in Miscellaneous (-13.0%) Insurances as indicated in the table 4.1.

1.5 Distribution of 2021 Net Premium Income

Chart 5 represents the proportional distribution of retained premium income for respective classes of Life and Non-Life Insurance recorded in 2021.

Chart 5: Distribution of Net Premium Income - 2021

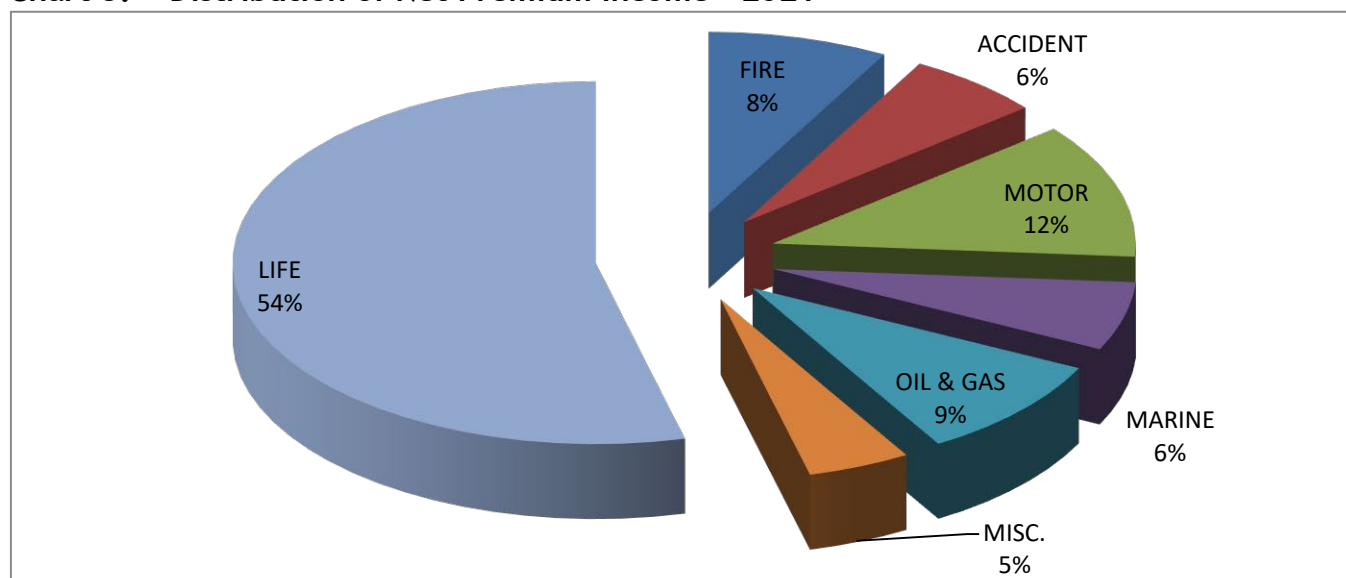


Chart 5 illustrates the consistent relevance of the Life insurance section to the total net premium income whereby it held a larger share of all premiums retained throughout the period under review. During the current period, the proportion of life portfolio stood at about 54 per cent, 58% in the prior period and, was 57%, 53% and 52% in the earlier years respectively. This is

significant for the Nigerian economy for its long-term nature, suitable for long term investments in critical infrastructure needed for economic growth and development.

1.6 Claims Experience

1.6.1 Gross Claims

Claims settlement has remained the major purpose for the contract of insurance and indeed a cardinal element in the business model. In fact, the Statistics of gross claims have in recent times continued to surge reflective of increasing policyholder enlightenment and business expansion, growing market confidence on both demand and supply sides, and indeed effects of the regulatory measures meant to ensure for claims settlement. In 2021 the industry reported a gross claim of N324 billion representing about thirty per cent rate of increase compared to its prior position when it stood at N247billion. This is a significant increase for an industry recovering from a pandemic and post pandemic economic crisis but, worthy to note that it represented just about half of the total premiums generated over the same period.

Table 5 provides numbers on the Gross claims recorded for various classes of Insurance during the recent five years of business.

Table 5: Gross Claims Paid - Non-Life & Life Insurance In: 2017 -2021

Currency: ~~N~~Million

Year	Fire	General Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Life Business	Industry Total
2017	23,636.03	9,994.79	20,849.42	5,570.08	44,174.34	9,717.26	72,506.11	186,448.03
2018	20,348.49	11,175.70	17,455.64	13,303.84	51,141.10	7,052.83	131,712.61	252,190.21
2019	30,967.18	13,246.25	19,764.95	11,349.68	20,148.05	5,919.15	123,776.03	225,171.29
2020	33,626.45	14,945.24	19,068.71	12,922.09	35,182.12	8,182.53	123,307.79	247,234.93
2021	54,742.44	17,829.65	26,752.70	10,743.18	40,048.72	14,424.71	159,263.25	323,804.65

The developments as highlighted in table 5 on the rate of change in Gross claims of the industry fluctuated substantially with a noticeable dip in 2019 (-10.7%) to pick-up steadily for the rest of the period under review, closing at an increased rate of 31.0 per cent, year on year while recording the highest growth in 2018 (35.3%) of gross claims reported. However, except for the Marine & Aviation account (-16.9%) in the Non-Life section, all other classes including life Insurances sustained an increase in the current year especially, Miscellaneous Insurances (76.8%), Fire (62.8%) and Motor (40.3%) business. The Oil & Gas business which led other classes in terms of rate of gross claims increase in the prior period (74.6%) had declined in relative terms to a record of about 13.8 per cent while General Accident grew by 19.3 per cent, year on year.

However, looking at the gross claims performance on the scale of five-years wide, Fire insurance, compared to 2017 grew at the rate of 131.6%, the highest during the era while Oil & Gas business contracted at the rate of -9.3 per cent over the same period. Marine & Aviation account stood second in the non-life insurance classes, growing by 92.9%, General Accident business by 78.4% while the Motor insurance trailed at about 28.3% over the period. The Motor account, in spite its significant retention ratios over the years, accounted for the least growth rate in terms of gross claims reported over the era, signifying the challenge with many Motor third-party liability, characterised by low reportage of incidences by most policyholders in that corner of the market. Life portfolio stood at a relatively higher rate compared to other classes, recording about 119.7 per cent growth during the period.

The aggregate gross claims reported nevertheless, recorded the highest figure in the current period to peak at N323.8billion, representing a whopping 73.7 per cent growth rate over the five-year period.

1.6.2 Net Claims: NON-LIFE Insurance Business

The behaviour of net insurance claims paid of non-life in 2021 was in tandem with its gross claims reported during the period except for the performance in Oil & Gas business, whereby it took a reverse (-20.6%) of its position to the former (13.8%) instead. Miscellaneous insurances, in a direct reflection to the its gross claims, grew highest in the market at 97.7 per cent, year

on year to peak at about N8.8billion in net claims paid over the period. This is followed by other classes including Fire portfolio (63.8%), Motor (22.6%) and, General Accident (4.9%) in that order. Marine & aviation on the other hand dropped by -3.1 per cent in tandem with the negative growth recorded (-16.9%) in gross claims reported during the year. Life segment similarly, grew at about 28.6 per cent, year on year, representing aggregate net claims paid of N150.4billion in 2021 compared to N116.9billion recorded previously.

On a full scale of the era under review however, the net claims paid took a direct reflection of the gross claims pattern whereby all classes reported some level of positive growth except, the Oil & Gas business (-2.4%) in similitude to its behaviour in gross claims reported. Other accounts of Fire (215.7%), Marine & Aviation (83.69%), General Accident (70.8%), Miscellaneous (64.1%) and Motor (20.9%) all reported positive figures of net claims increase over the five-year period, in tandem to increases observed in the total claims reported and, general performance in terms of premium generation in the industry. The Life Insurance segment also recorded a net premium growth of 120.3 per cent during the same time under review.

Sequence of Net Claims Statistics on Non-Life business is explicitly provided by Table 6.

Table 6: Net Claims Paid: Non-Life Business: 2017 - 2021

Currency: N-Million

Year	Fire	General Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Industry Total
2017	9,811.94	6,835.37	17,903.95	3,053.27	13,408.07	5,389.04	56,401.64
2018	9,266.50	8,428.10	17,344.02	7,128.17	17,122.68	4,773.46	64,062.93
2019	17,196.69	9,547.69	17,724.60	7,492.04	11,923.77	3,455.51	67,340.31
2020	18,909.14	11,129.00	17,647.62	5,784.63	16,469.29	4,473.24	74,412.92
2021	30,973.24	11,674.51	21,641.03	5,606.40	13,080.82	8,841.34	91,817.35

The net claims paid in the non-life segment grew from N56.4 billion in 2017 to peak at N91.8 billion at the end of period under review, signifying 62.8 per cent rate of increase. This is also representative of about 44.6 per cent of all net premiums reported over the era of five years.

Table 7: Net Claims Paid: Life Business

Currency: N-Million

Year	2017	2018	2019	2020	2021
Amount	68,261.7	117,322.1	88,594.8	116,943.2	150,361.7

1.6.3 The Claims Ratios

Tables 8, 8.1 and 8.2 provides detailed insights into the sequence proportions of the insurance industry net claims paid for the period 2017 to 2021.

Table 8: Gross Claims/Gross Premium Income - Life and Non-Life

Year	2017	2018	2019	2020	2021
Gross Claims(Nm)	186,448.0	252,190.2	225,171.3	247,234.9	323,804.7
Gross Premium(Nm)	372,358.4	426,210.9	508,230.1	514,587.9	631,415.7
Claims ratio (%)	50.1	59.2	44.3	48.0	51.3

Table 8.1 Gross Claims/Gross Premium Income: Non-Life

Year	2017	2018	2019	2020	2021
Gross Claims(Nm)	113,941.9	120,477.6	101,395.3	123,927.1	164,541.4
Gross Premium(Nm)	219,798.6	245,411.2	281,346.6	282,711.7	365,797.1
Claims ratio (%)	51.8	49.1	36.0	43.8	45.0

Table 8.2 Gross Claims/Gross Premium Income - Life

Year	2017	2018	2019	2020	2021
Gross Claims(Nm)	72,506.1	131,712.6	123,776.0	123,307.8	159,263.3
Gross Premium(Nm)	152,559.8	180,799.8	226,883.4	231,876.2	256,618.6
Claims ratio (%)	47.5	72.8	54.6	53.2	62.1

The statistical insights provided in Tables 8, 8.1 and 8.2 revealed the aggregate market average prevalent in the industry which are no specific to individual Insurers. Individual underwriter's claim ratio could be higher or lower than the industry average depending on an a given insurer's business conditions. Moreover, the ratios are not founded on the actual incurred loss basis but industry gross reported claim which is reflective of a big market picture. Notable to mention however, the absolute net claims ratio also follows the same pattern as observed earlier in the gross and net claims experience. However, the individual Insurers' detail in terms of claims ratio is found in our statistical ratio analysis section of the Nigerian Insurance Statistics and Directory (NISD) publication.

1.6.4 Summary of Insurance Industry Claims and Expenses in 2021

Table 9 provides the Summary of the Gross and Net of Premiums and Claims recorded for the period of 2021

Table 9: Premiums and Claims Statistics, 2021

Currency: ₦ Million

Description	Gross premium	Net premium	Gross claims	Net claims
Non-Life Insurance Business	365,797.1	203,680.3	164,541.4	91,817.4
Life Insurance Business	265,618.6	238,622.9	159,263.3	150,361.7

Statistics in table 9 reveal that the net incurred loss ratio for non-life stood at forty-five per cent for the period of 2021, signifying an improved profitability stand by about three points

when compared to the prior period (47.7%). This is however in contrast to the relative performance of Life business of which the net loss ratio deteriorated to a record figure of sixty-three per cent, an eight-point increase compared to its prior period account of 55.0 per cent. Nonetheless, in cognisance of the circumstances of a Pandemic stricken period which was challenged by socio-economic crisis, this development is rather commendable as net loss incurred ratios remain within much tolerable space and, indeed improving from a corner of the market that could lead to boosting of investors and policy holders' confidence in the business of Insurance covers.

The total industry size in 2021 as measured by its total assets stood at N2,221.7billion for both Life and Non-Life businesses, representing about 8.3 per cent increase, year on year with Life portfolio segment contributing a larger proportion of the market size. Although, this signifies the least rate of growth in five years, it is nonetheless commendable given the effect of recapitalisation drive that was staged mostly in just a year before. The rate of increase in total Non-Life assets in the current period was recorded at about 28.0 per cent, while Life assets grew negative (-5.8%) compared to the volume recorded in the previous period, to close at N1,132.2 billion.

Insights into the five years data reveal that while the industry experienced steady growth all through the period, the None-Life segment recorded a dip (-5.3%) only in 2019 compared Life business section which experience a similar decline in 2021 (-5.8%) when actually the non-life sector recorded its best at the rate of 28.0 per cent. Overall, the Life business grew at about 170.1 per cent over the five-year period while Non-Life increased by 53.6 per cent giving an occasion for the Insurance market as a whole to report an increase at the rate of about ninety seven (96.7%) per cent over the period under review.

Table 10: Total Assets in Millions of Naira 2017 - 2021

Year	2017	2018	2019	2020	2021
Non-Life Business	709,357.5	730,360.2	691,641.5	850,940.7	1,132,170.2
Life Business	419,116.3	599,585.9	833,461.0	1,201,282.3	1,089,577.2
Total	1,128,473.9	1,329,946.0	1,525,102.4	2,052,223.0	2,221,747.4

The rate of expansion in the Nigerian insurance market, more than most other sub-sectors in the financial services sector of the economy is poised to remain positive with increasing measures regarding market deepening and development and, especially the recapitalisation drives still ongoing. Moreover, the outlook steaming out of improved regulatory Insurance laws and provisions enshrined in the Insurance bill, being reviewed, digitisation of the supervisory wide processes would sustain the huge momentum of market performance in terms of production and sustainable overall growth of the industry, towards achieving its vast potentials and as a safety net of the Nigerian economy.